



# COUNTY OF LOS ANGELES

## CHIEF INFORMATION OFFICE

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493 HALL OF ADMINISTRATION  
LOS ANGELES, CALIFORNIA 90012

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June 18, 2003

To: Supervisor Yvonne Brathwaite Burke, Chair  
Supervisor Don Knabe, Chair Pro Tem  
Supervisor Gloria Molina  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

From: David E. Janssen  
Chief Administrative Officer

J. Tyler McCauley  
Auditor-Controller

Jon W. Fullinwider  
Chief Information Officer

Subject: **SUSPENSION OF LACAS NEGOTIATIONS**

We have been following recent reports regarding the bid by Oracle to acquire PeopleSoft. It has been reported that Oracle's Chairman and Chief Executive Officer has stated that the intent of the bid is to eliminate PeopleSoft's products and to move its existing customers to Oracle's ERP software. The uncertainty of this situation adversely impacts the County's current direction to implement an integrated ERP solution.

The PeopleSoft Board of Directors initially rejected the Oracle bid; however, Oracle has subsequently tendered a higher bid, which will not expire until July 7, 2003.

Industry analysts have publicly recommended that prospective buyers of PeopleSoft move cautiously and consider alternatives if they have not concluded ERP acquisitions. Accordingly, we are suspending negotiations with both Accenture and PeopleSoft pending a resolution that will allow the County to move forward prudently.

Each Supervisor  
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In this context, the County will begin to identify alternatives to achieve LACAS objectives. If the PeopleSoft issue is not resolved within the next sixty-days the LACAS Executive Team will come forth with a recommended alternative for your Board's consideration in moving the LACAS project forward.

We will continue to monitor events and keep your Board updated in our monthly status reports.

DEJ:JTM:JWF:  
HB:ygd

c: Executive Officer, Board of Supervisors  
County Counsel

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